

Russell Financial Services, Inc.

Statement of Financial Condition

December 31, 2015

Assets

Cash and cash equivalents	\$	36,156,224
Distribution fees receivable		3,235,981
Prepaid expenses and other		2,045,128
Deferred income taxes, net		586,381
Fixed assets, net		357,208
Total assets	\$	<u>42,380,922</u>

Liabilities and Stockholder's Equity

Liabilities

Distribution fees payable	\$	7,524,011
Administrative fees payable		7,956,620
Compensation payable		7,326,403
Due to affiliates		1,504,891
Accrued expenses and other liabilities		1,308,049
Incentive compensation liabilities		1,472,959
Total liabilities		<u>27,092,933</u>

Commitments, guarantees and contingencies (Notes 8, 10 and 11)

Stockholder's equity

Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding		3
Additional paid-in capital		11,419,633
Accumulated deficit		3,868,353
Total stockholder's equity		<u>15,287,989</u>
Total liabilities and stockholder's equity	\$	<u>42,380,922</u>

The accompanying notes are an integral part of this financial statement.